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PRESS RELEASE

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FORMER REAL ESTATE AGENT PLEADS GUILTY IN PROPERTY FLIPPING SCHEME

Terrell L. Harris, United States Attorney for the Western District of Tennessee, announced today that former Memphis real estate agent Aaron Perkins entered a guilty plea to a one-count criminal information filed in United States District Court in Memphis, Tennessee.

The information filed by the United States Attorneys Office charges that beginning in October 1997, and continuing until at least November 24, 1997, Mr. Perkins conspired with Lakina S. Cook, Tilma Ann Baker and other persons not identified in the information to violate federal mail, wire and bank fraud statutes.

According to the information, on November 21, 1997, a straw buyer, acting at Mr. Perkins' direction, purchased six duplex properties for fair market value and resold or "flipped" the properties to Mr. Perkins at greatly inflated prices. All six "flip" transactions were financed with mortgage loans Mr. Perkins obtained from Countrywide Home Loans, Inc. doing business as America's Wholesale Lender. The amounts of the loans were approximately eighty percent of the inflated "flip" sales prices.

The information alleges the conspirators utilized false and fraudulent information to justify the higher "flip" sale prices, including: fraudulent appraisals prepared by Baker; false information pertaining to Mr. Perkins' rental income; false representations that Mr. Perkins was giving second mortgages to his straw buyer; and, fraudulent HUD-1s which concealed the true nature of the transactions and the fact that a substantial portion of loan proceeds were kicked back to Mr. Perkins as "consulting fees." According to the information the six Countrywide loans totaled approximately \$676,000 and Mr. Perkins received approximately \$296,500 as "consulting fees" through A&R Investments, an entity he owned.

United States District Judge Julia Smith Gibbons scheduled Mr. Perkins sentencing hearing for May 10, 2002, at 10:30 a.m.

Cook, a former mortgage broker, and Baker, a former real estate appraiser have already pleaded guilty to conspiracy charges in connection with the flipping scheme. Baker was sentenced to 22 months imprisonment on November 16, 2001. Cook's sentencing hearing is currently scheduled for March 15.

Among the obligations imposed under the terms of the written plea agreement filed by the United States, Mr. Perkins will continue to provide "complete and truthful information" and "to testify completely and truthfully" at future proceedings. If he fulfills all of his obligations under the terms of the agreement, the United States will recommend a sentence of imprisonment not to exceed 24 months. The matter is being prosecuted by Assistant U.S. Attorney Carroll Andre' and William Clabault of the Criminal Division of the United States Department of Justice. The matter is being investigated by the Memphis Division of the Federal Bureau of Investigation, the Memphis Field Office of the United States Postal Inspection Service, and the United States Department of Housing and Urban Development Office of Inspector General.

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